

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1482024-000

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Universal Case File Number 56 -NY-268231-1A2

Field Office Acquiring Evidence New York

Serial # of Originating Document \_\_\_\_\_

Date Received 09/29/1998

From \_\_\_\_\_  
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Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: (See Serial 20)  
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

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SEE Exhibit 1A2

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/29/1998

On September 29, 1998, [redacted] born [redacted] of [redacted] home telephone number [redacted] was interviewed at the New York Office of the Federal Bureau of Investigation (FBI). After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] was employed as [redacted] for AJ Contracting Company (AJ) from approximately [redacted]. AJ is an interior general contracting firm that was worth approximately \$200 million in 1992. [redacted] is currently employed [redacted]

While working at AJ, [redacted] served clients such as [redacted] Project Managers from the respective client would either approach CHARLIE URIBE or [redacted] to solicit the sale of tickets for various political and non-political fundraisers. [redacted] would then telephone his subcontractors in an attempt to sell tickets for the fundraiser. Approximately 25% of the fundraisers were political in nature. [redacted] was responsible for handling about 90% of the fundraising at AJ.

[redacted] was not certain if he personally contributed to the Clinton/Gore 1996 campaign. [redacted] could only recall making about two or three personal contributions to political campaigns while employed at AJ. [redacted] advised that he contributed no more than \$5,000 in all of his personal campaign contributions. The names of the political campaigns that [redacted] recalled contributing to include: the Democratic National Committee (DNC), former New York City Mayor DAVID DINKINS, Bronx Borough President FERNANDO FERRER, and New York City Councilman PETER VALLONE. [redacted] speculated that he solicited contributions of approximately \$50,000 from subcontractors for various fund raisers while employed at AJ.

Investigation on 09/29/1998 at New York, New YorkFile # 56C-NY-268231-20Date dictated n/aby SA [redacted]  
SA [redacted]

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☒ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date

8-8-89

FBI NEW YORK (58A-2582) (P) (C-4)

TO DIRECTOR FBI (58-11922)/PRIORITY/

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UNCLAS

CITE: //3540//

PASS: GOVERNMENT FRAUD UNIT; SSA [REDACTED]

SUBJECT: WEDTECH; ET AL; BRIBERY; FAG-DOD; OO:NY.

REFERENCE NEW YORK TELETYPE TO THE BUREAU DATED JULY  
25, 1989 AND SSA [REDACTED] TELCALL TO NEW YORK JULY 31, 1989.

ON JULY 27, 1989, AUSA [REDACTED] TELEPHONICALLY  
CONTACTED [REDACTED] TO SCHEDULE AN  
APPOINTMENT. DURING THIS TELEPHONE CONVERSATION AUSA [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] IT IS NOT ANTICIPATED THAT [REDACTED] WILL

1 - NEW YORK

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(2)

Approved: [REDACTED]

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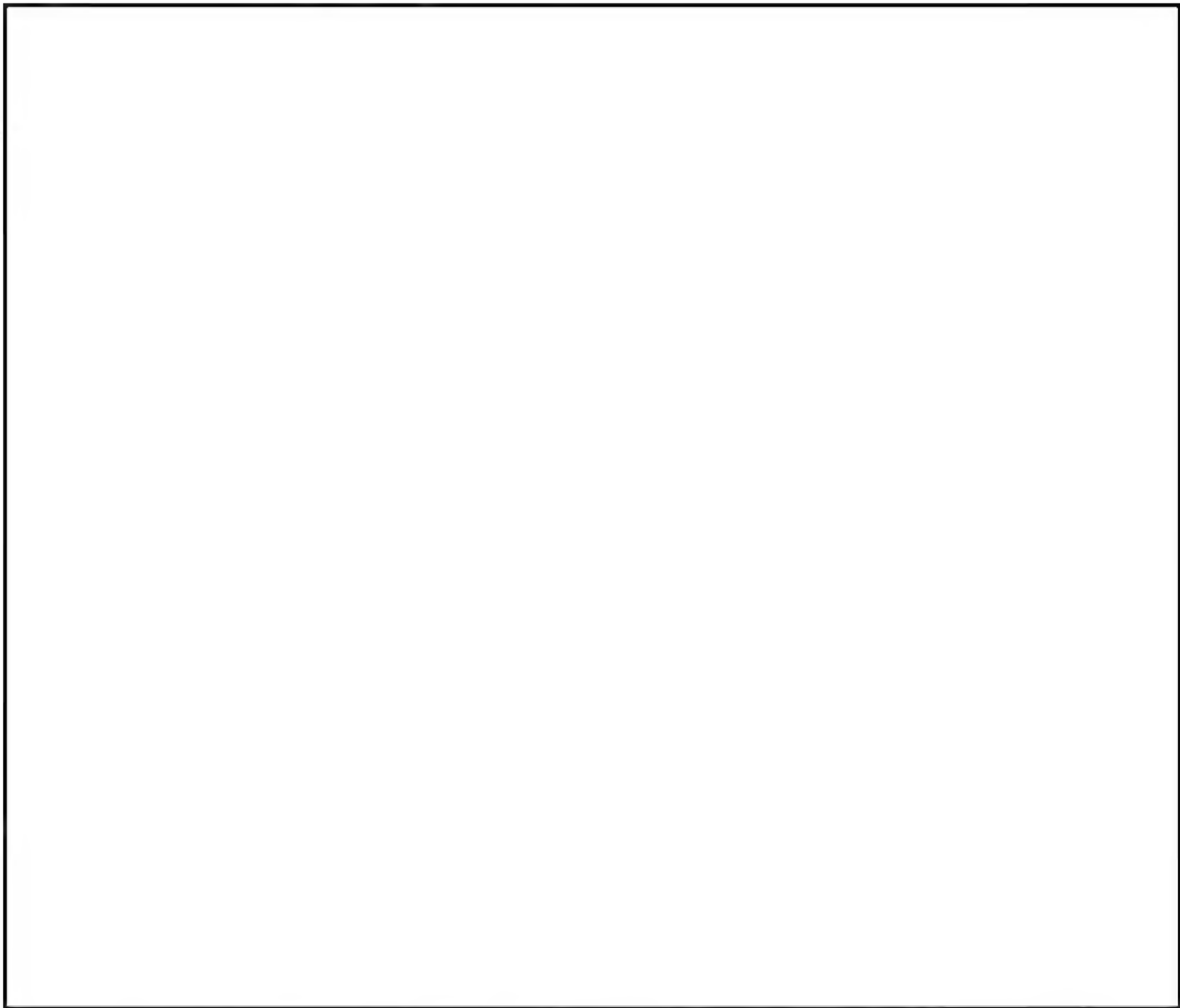
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ON AUGUST 4, 1989, SA [REDACTED] ALONG WITH AUSA [REDACTED]

MET WITH MANHATTAN BOROUGH PRESIDENT DAVID DINKINS AT HIS OFFICE  
~~IN NEW YORK.~~ [REDACTED]

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FOR INFORMATION OF THE BUREAU, IT IS NOT ANTICIPATED  
THAT ANY OF THE ABOVE INDIVIDUALS WILL BE CALLED AS WITNESSES FOR  
THE PROSECUTION IN THE UPCOMING TRIAL OF CONGRESSMAN ROBERT  
GARCIA.

BT



THEY'VE GOT THEIR HEADS IN THE CLOUDS

# Trump's passing the bucks

By FRANK LOMBARDI

Developer Donald Trump, whose plan to build the world's tallest building in Manhattan must be approved by the Board of Estimate, has pumped more than \$250,000 into the campaigns of certain board members.

Recipients of Trump's contributions said his project will rise or not on its merits—not on his largesse.

"If I didn't do that, I don't deserve to sit here," said Republican Borough President Howard Golden, who got \$10,000 in Trump contributions this year.

"If that's how much I got, it's not as much as I would have liked," Golden noted.

## Aided 6 on board

Trump and his corporate and family interests made at least \$133,750 in direct contributions in recent years to at least six of the eight members who

will comprise the board starting in January.

Trump also gave \$125,000 in loans to the various campaigns of Manhattan Borough President Andrew Stein, who also received the 1983 share of Trump's contributions. As the newly elected City Council president, Stein will continue to sit on the board.

Stein received \$62,000 of Trump's overall contributions. So far, Stein has repaid only \$25,000 of his Trump loans. Any unpaid loans eventually become direct contributions.

Stein said Trump's contributions will "absolutely not" affect his considerations of Trump's project.

Stein gets 2 votes when Stein becomes Council president in January he will have two votes on the board. Two other recipients of Trump contributions—Mayor Koch and Controller Harrison

Goldin—also have two votes each. Koch got \$32,500 in contributions

since 1982 from Trump interests.

Controller Goldin received at least \$8,500 in contributions since 1981. He said, "Like everyone else, Trump will find that his proposal will be evaluated independently and objectively without reference to campaign contributions."

## Trump is mmm

David Dinkins, the Manhattan borough president-elect, received only \$1,000 from Trump, as did Staten Island Borough President Ralph Lambert.

Dinkins said Trump's contribution doesn't mean anything at all.

Trump did not respond to a request for comment. In the past, Trump has said he contributes to politicians he respects. Trump also has said his contributions often "hurt" him because media notoriety makes his recipients leery of being accused of favoritism.



Andrew Stein

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NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☐ Negative ☐ See below

Subject's name and aliases

DAVID DINKINS, MAYOR OF NEW  
YORK CITY

Character of case

CORRUPT PUBLIC OFFICIAL

Complainant ☐ Protect Source

ANONYMOUS MALE aka [REDACTED]

Complaint received

☐ Personal ☒ Telephonic Date 7/2/90 Time 12:20PM

Address of subject

Complainant's address and telephone number

Subject's Description	Race	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Height	Hair	Build	Birth date and Birthplace
	Age		Weight	Eyes	Complexion	Social Security Number
	Scars, marks or other data					

Facts of complaint

Complainant (C) states that he has been paid for and has provided the FBI with reliable information in the past regarding organized crime matters. C further states that Mayor David Dinkins is currently involved with organized crime figures. [REDACTED]

[REDACTED] C would need between two (2) and four (4) hours to give all the information he has. C wants to be paid in cash for his information.

NOTE: Previous information provided by C to the writer has been forwarded to SSA [REDACTED], Squad C-5

7/2/90, 1:20 PM. Complainant called again to advise that Mayor Dinkins [REDACTED]

Also [REDACTED]

IA [REDACTED]

(Complaint received by)

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NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☐ Negative ☒ See below

Subject's name and aliases

DAVID N. DINKINS, MAYOR OF  
NEW YORK CITY;

Character of case

CORRUPT PUBLIC OFFICIAL

Complainant ☐ Protect Source

ANONYMOUS MALE, aka

Complaint received

☐ Personal ☒ Telephonic Date 7/18/90 Time 9:40 AM

Address of subject

Complainant's address and telephone number

Subject's Description	Race	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Height	Hair	Build	Birth date and Birthplace
	Age		Weight	Eyes	Complexion	Social Security Number
	Scars, marks or other data					

Facts of complaint

Complainant (C) states that he has provided reliable information to the FBI in the past and has been paid for his services. C calls the writer frequently with information regarding organized crime-connected individuals. Such information has been forwarded to SSA [redacted] squad C-5.

C states:

C further states that

C states that while he has been calling anonymously, he is now ready to come in to the New York Office to be interviewed.

IA

(Complaint received by)

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SERIALIZED [redacted] FILED [redacted]

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ENCLOSURE

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# Uniformed Workers' Unions Endorse Dinkins

BY CELESTINE BOHLEN

Supported by New York City's major public-employee unions in the primary campaign, David N. Dinkins, the Democratic nominee for mayor, is now winning endorsements from unions representing the uniformed forces and using them to challenge his opponent's claim to be the law-and-order candidate.

On Tuesday, Mr. Dinkins was endorsed by the union representing officers in the Fire Department ranking above firefighter, the Uniformed Fire Officers Association, and yesterday he received the backing of a coalition of unions representing 30,000 active and retired officers in the housing, transit and city police departments.

At a news conference yesterday outside City Hall, Mr. Dinkins said the endorsement by the coalition, the Superior Officers Association, meant that "New York's second largest group of police officers agree that I'm the toughest mayor on crime this city has ever seen."

## A Former Prosecutor

The Republican nominee, Rudolph W. Giuliani, who is a former Federal prosecutor, has run a campaign built upon his experience as a crime fighter. Since the general-election campaign began this month, he has attacked Mr. Dinkins as "permissive" on crime.

Joe Toal, the president of the Sergeants' Benevolent Association, said yesterday that his union would "enthusiastically" back Mr. Dinkins. "We don't have any reason to believe that Mr. Giuliani would be any more understanding of police officers' problems," Mr. Toal said.

So far, Mr. Giuliani has not been endorsed for the general election by any major municipal employees union, although he is expected to pick up the support of the Uniformed Fire Fighters Association, which represents 9,500 firefighters, in the next few weeks, a union spokesman, Jim Grossman, said.

## A 'Step Forward'

The police unions and Mr. Dinkins continue to differ on the issue of an independent civilian review board, empowered to investigate charges of police misconduct. Mr. Dinkins supports an all-civilian board, while the police unions want their own members represented. Yesterday, Mr. Dinkins said that while he still favored an all-civilian board, he would support improving how the existing board works as a "step forward."

Mr. Dinkins also said he favored a ban on "killer" bullets, capable of piercing bulletproof vests worn by city police officers, and he criticized Mr. Giuliani, who testified in Congress in 1982 on a total Federal ban on the ammunition, for taking an "ambiguous position." "It seems to me he needs to clear up his position," Mr. Dinkins said.



The New York Times/Neal Bortz

David N. Dinkins, the Democratic nominee for mayor, is challenging Rudolph W. Giuliani's claim to be the law-and-order candidate. Mr. Dinkins talked with Thomas J. Scotto, right, president of the Detectives Endowment Association, after the union endorsed Mr. Dinkins.

The biggest of the uniformed forces' unions, the Patrolmen's Benevolent Association, is expected to decide on an endorsement next week after its president, Phil Caruso, returns from vacation, said Joseph Mancini, a union spokesman.

The P.B.A., which represents 20,000 active police officers, has been a strong supporter of Mayor Edward I. Koch, who is expected to urge the union to back Mr. Dinkins. The Housing Patrolmen's Benevolent Association, which also backed Mr. Koch in the Democratic mayoral primary, is likely to follow suit, according to union members.

Other uniformed city workers — in-

cluding sanitation workers and correction officers — have not yet endorsed anyone for the general election, although labor experts said yesterday that it was unlikely that the sanitation workers union, Local 831 of the International Brotherhood of Teamsters, would back Mr. Giuliani, whose office brought suit against the national union.

Several of the unions represented at the news conference yesterday have been working without a city contract for more than two years, union spokesmen said. Starting next month, three unions representing ranking officers in the Police Department are to enter arbitration with the city in an effort to settle the impasse.

Friday, September 29, 1989, 11

# Dave pal sees 'racism'

By MARCIA KRAMER and FRANK LOMBARDO

David Dinkins' chief labor supporter yesterday accused Rudolph Giuliani of labeling Dinkins "a Jesse Jackson Democrat" to stir up racism in the mayoral campaign.

"It is used as a racist remark," said Barry Feinstein, president of Teamsters Local 337, which represents 20,000 municipal workers. "It is used for that purpose, to inflame."

A spokesman for Giuliani vehemently denied the charge, and Bill Lynch, Dinkins' campaign manager, said Feinstein was not speaking

for the campaign.

"I don't think that David would ever say that," Lynch said. "Mr. Feinstein's entitled to his opinion."

Feinstein leveled his charge as the Giuliani campaign published a full-page ad in this week's *Algemeiner Journal*, a national Jewish newspaper. The ad features a

large photograph of Giuliani chatting with President Bush, and an accompanying photo of Giuliani clapping hands with Jackson.

"Let the people of New York choose their own destiny," reads the headline for the ad, without further comment.

Published on the eve of Rosh Hashanah (the Jewish New Year), the ad also contains a "personal message to the Jewish community" from Giuliani.

Feinstein, who began promoting Dinkins for mayor months before the Manhattan

borough president announced his intention to run for the post, said, "The 'Jackson Democrat' is clearly a code word, in my view. He was giving a message that could not be mistaken."

Feinstein contended that Giuliani used the phrase as part of a strategy to lure white voters from Dinkins in an effort Feinstein indicated was mapped out by Roger Ailes, Giuliani's campaign and media consultant.

Giuliani first used the "Jackson Democrat" phrase Monday after being asked both about Ailes' role in his

campaign and the Democratic strategy of labeling Giuliani a "Reagan Republican."

"If David wants to engage in this kind of labeling," Giuliani said, "I could say he's a Jesse Jackson Democrat."

On Wednesday, Jackson said Giuliani was "trying to exploit people's fears" by using the label.

Strongly denying that Giuliani was trying to exploit racial differences, campaign spokesman Charles Perkins said, "The only point is that Jesse Jackson is one of Dinkins' key supporters."

In another development yesterday, Dinkins got the endorsement of the Superior Officers Council, which represents eight unions of police brass. He used the occasion to attack Giuliani for his



RUDOLPH GIULIANI demonstrates with members of Israel Public Affairs Committee opposite Palestine Liberation Organization's offices here. (AP Wirephoto)

## AN APOLOGY

Mason begs our pardon.

SEE PAGE 23

"fuzzy" position on "killer bullets." So-called "killer bullets" are those that can pierce the bulletproof vests that police officers wear.

"We don't really know what his position is really with respect to killer bullets," he said. "I mean, I don't know what it is."

Dinkins said that U.S. Sen. Daniel Moynihan assured him that Giuliani had testified against legislation that would ban the bullets.

But Perkins said Giuliani supported the legislation that would ban the bullets — even though the Justice Department had opposed it.

## Oldest obsession

MOSCOW (AP) — Police have formed a special squad to combat a sharp rise in prostitution and associated crimes, including nine recent murders of high-class hookers, the daily *Moskovskaya Pravda* newspaper said yesterday.

# Rudder tilt is eyed in USAir crash

By JAMES PETERS

and STUART MARQUESS

Daily News Staff Writers

An incorrectly set directional control may have caused USAir Flight 5550 to drift on takeoff and "could have been" a key factor leading up to the Sept. 21 crash that killed two passengers at LaGuardia Airport, probes said yesterday.

Ted Lopatkiewicz, a spokesman for the National Transportation Safety Board, said investigators think the rudder trim — set to the extreme left instead of in the middle — may have caused the plane to drift badly to the left while it accelerated down the runway.

"It definitely could have been" a crucial part of the chain of events leading up to the crash, Lopatkiewicz said. "We have not yet fully analyzed it."

Lopatkiewicz said the plane began drifting shortly after co-pilot Constantine Kleissas pushed a wrong button, which disengaged an automatic throttle.

The plane was already drifting when pilot Michael Martin tried to abort takeoff, but the jet was apparently moving too fast and was too far down the runway. The jet skidded into the East River.

Investigators were puzzled about how the pilots could have begun the accident without realizing that the

rudder was in the wrong direction.

"It's part of the pre-flight checklist," Lopatkiewicz said. "Someone should have noticed."

The pilot, who stayed on the plane until the last passenger was removed, and the co-pilot left after the crash and did not surface until some 30 hours later. They did not provide urine samples for 42 hours after the accident.

USAir spokesman David Shipley confirmed that the rudder trim was incorrectly set and said it "may have been a causal factor."

It is unclear which cockpit crew member was responsible for checking the controls, but the task generally falls to the first officer who

is not operating the plane. Kleissas was at the controls.

Lopatkiewicz said probes have still found no mechanical malfunction that would explain the accident. He said investigators will finish their on-site inspection of the wreckage today and head back to Washington.

He said the National Transportation Safety Board will release a transcript of the jet's voice recorder on Nov. 20 — the mandated 60 days after the crash — and a report of "factual information" which will set down what happened, but will probably not assign blame. He said a final report would take nine to 12 months.

## Indicted S.L. bizman murdered mob-style

By TIMOTHY McDARRAH  
and PAUL SCHWARTZMAN

A businessman recently indicted with a Gambino crime-family member for illegally dumping medical waste was executed gangland-style yesterday outside his Staten Island home.

Fred E. Weiss, 55, was shot in the face around 3:30 a.m. as he climbed into his Jeep at 131 Wellington Court, a luxury condo complex in the New Springville section, police said.

A neighbor said Weiss had lived there for only about five weeks, but was known as a man with problems.

"He always watched his back," said Corey Rubin.

Another neighbor said the saw a white car, carrying two men and a woman, parked near Weiss' home just before the shooting.

The victim was free on \$250,000 bond while awaiting trial on a June indictment for mail fraud and for violating the Racketeer-Influenced and Corrupt Organizations Act.

Weiss, Angelo Paolone, Anthony Vulpis and eight companies were charged with dumping various waste products at a Staten Island landfill, and then concealing their act.

A prosecutor called it one of the worst environmental crimes in the city's history.

Paolone, whose carting firm was forced out of business in July for repeated violations, has been described by law-enforcement officials as a major figure in a carting cartel controlled by the Gambino crime family.

Weiss had no previous record, and sources said he was not cooperating with authorities in regard to his indictment.

The charges carried a penalty of up to 20 years in prison and a \$5 million fine.

Weiss was a business partner of Ken Wilpon — a millionaire commercial real-estate developer and first cousin of Mets co-owner and real-estate mogul Fred Wilpon.

Weiss, who was married to Ken Wilpon's sister, Jacqueline, formed W&W Properties, a maze of corporations controlling various land developments, with headquarters on Staten Island.

"It's a tragedy," Mrs. Weiss told The Post from her home on Valley View Place on Staten Island.

"I'm heartbroken for my two children."

She said the couple had been separated for three years and had not spoken to each other in a long time.

Neither Ken nor Fred Wilpon returned phone calls.

In the 1980s, Weiss was a reporter and city editor for the Staten Island Advance.

# PORT AUTHORITY BUS CRASH INJURES 50

By PAT WILKS

Fifty people were injured — three critically — when a bus heading to New Jersey lost its brakes and slammed into a garage near the Lincoln Tunnel.

The Drogia Lines bus to Jersey City had left the Port Authority Terminal at 5:15 p.m. with 55 passengers and was moving down a ramp toward the tunnel when it smashed into a garage that housed PA emergency equipment.

PA Police Sgt. Lawrence McCarron said he and other

rescuers had to cut away sections of the bus to free the trapped passengers.

He said two passengers were critically injured and one of them was in danger of losing his leg.

"He was in the front of the bus on the driver's side," McCarron said.

"He was pretty much impaired in the wreckage."

The other critically injured passenger was a woman, who also had been sitting in the front. She, too, had to be cut from the wreckage.

PA Officer Ron Schwartz

**"God was in  
their seats  
with them."**

OFFICER RON SCHWARTZ

said it's amazing the two got out alive.

"Those people must have been extremely religious people, because God was in their seats with them," he said.

"The front end of the bus was crushed. I don't know

how the other people managed to get out. They were very, very lucky."

The driver was also critically hurt.

"It was a bad scene," said Schwartz. "Injured people were laying all over the place."

Schwartz said an off-duty city Emergency Medical Service worker, who had been driving by, stopped to help.

"He drove out of the tunnel, jumped out of his car, and stayed with us to the

end, working with the injured."

"He never gave me his name but I wish I had it because he did excellent work and deserves a medal."

The other injured passengers were less seriously hurt and were treated at six hospitals.

The names of the victims were withheld pending notification of their families.

Thousands of rush-hour commuters on both sides of the tunnel were delayed for hours.

## It's VIPs' night out in gala plaza parties

By PATRICIA JACOBS

Celebrities were out in force last night for two VIP events — a gala celebrating the opening of the first Abraham & Straus store in Manhattan and a Donald Trump-hosted party at the Plaza.

The star-studded charity gala at the A&S Plaza mall near Herald Square drew more than 1,000 black-tie parties.

They paid \$500 each for dinner and eight floors of entertainment, including songs by black-leather-

and chain-clad LaToya Jackson, athletes from nine top New York restaurants, and performances by Tony Bennett and Sarah Henderson with the New York Pops.

"Have you been around the store yet?" said an ecstatic Chaim Edelstein, chairman and chief executive officer of A&S, who welcomed guests at the entrance.

One guest, cosmetics queen Estee Lauder, clad in a black-trapeziform dress, was, naturally,

fusing around her prominently placed counter on the first floor.

"The store looks very nice," she said. "After all, everything new looks nice, doesn't it, dear?"

When asked if Manhattanites would get used to the Brooklyn-landmark store in Manhattan, she replied with a smile: "You can't move Brooklyn to Manhattan overnight — so they'll have to."

Another guest not quite used to the new store was mayoral candidate David Dinkins.

"I haven't had a chance to look around yet," he said as admirers surrounded him.

The dinner was a benefit for the Children's Aid Society and the Children's Museum of Manhattan.

Meanwhile, uptown Donald and Ivana Trump hosted a reception at the Plaza's Grand Ballroom with Town & Country to celebrate the magazine's traditional New York issue.

It features the unveiling of the restored Plaza, a Trump property.

Among those on hand were Beverly Sills, Joan Rivers and Dominick Dunne.



HERE'S TO YA: Singer Tony Bennett raises a glass as the glitterati toast the A&S grand opening.



CAN WE TALK? Gala hosts Donald and Ivana Trump flank talk-show comeback kid, Joan Rivers at the Plaza party last night.



LIVING DAME: Ravishing Ariana Dahl and husband Marc Rosen arrive for last night's gala A&S party, which benefited the Children's Aid Society.



# EXTORTION SCHEME IN MINORITY HIRING IS CHARGED BY U.S.

## 31 SUSPECTS ARE INDICTED

### Contractors in New York Were Victims of Ploys to Fight Bias, Prosecutors Say

By RICHARD D. LYONS

Thirty-one people were indicted yesterday on charges that they ran eight groups that, under the guise of obtaining construction jobs for black and hispanic workers, violently extorted thousands of dollars from New York building contractors.

Federal attorneys in Brooklyn said 23 of the 31 people indicted were arrested by F.B.I. agents and the police in raids that started early yesterday. Two others are reported to be in prison on other charges and seven have not been found.

The indictments and arrests add another new chapter in the contentious history of minority hiring in the construction industry. Law-enforcement officials and people in the construction industry say the proliferation of the extortionist groups are the jagged edge of a movement that has been trying since the 1960's to give black and Hispanic workers a toehold in the largely white and exclusionary building trades.

#### Protection Money

New York and Federal officials said the leaders of the so-called minority coalitions purported to provide pools of workers to help contractors meet Federal and local laws that required them to hire certain minimum percentages of minority workers. Instead, the officials said, the gangs extorted protection money, sometimes by beating owners and foremen, disrupting work or preventing other workers from entering job sites.

"These groups, falsely representing themselves as working to increase minority employment in the construction industry, were actually extorting money, jobs and contracts for security to enrich coalition leaders," said Zachary W. Carter, the Federal Attorney in Brooklyn.

Unlike some other cases in which whites used minority-group confederates to obtain contracts set aside for minority-owned companies, most of the 30 men and one woman indicted yesterday are black or Hispanic.

But while many operated under such names as Black and Latin Economic Survival and Hispanic and Black Coal-

tion, law-enforcement officials emphasized that they had no ties to legitimate civil-rights groups that had been seeking wider employment of women and minorities in the building trades.

The authorities acted after the police had amassed hundreds of reports of incidents and payoffs.

One example listed in the indictment said five men demanded \$3,000 from executives of the Arson Demolition Company last year and that company officials did pay \$1,000 to insure peace at an unidentified construction site.

Since even a short workday disruption can cost thousands of dollars, many contractors are willing to hire a few people immediately, or pay to stop the picketing, law-enforcement officials say.

In all, the officials said, several hundred workers linked with the coalitions were either given jobs or show positions at scores of construction projects. Most of those who actually did work at projects had to turn over part of their salaries to the ring-leaders, these officials added.

The violence and threats listed in the indictments yesterday parallel those by similar groups that have become active in other cities, principally Los Angeles.

Law-enforcement officials would not estimate how much the illegal groups might have extorted over the years. But they did say that the groups' activities became so lucrative that battles with semiautomatic weapons sometimes broke out between rival groups over which would get to shake down which companies and which sites.

Police have estimated that at least 35 such coalitions have operated in New York in recent years, and last

year, when the activities seem to have reached a peak, four men were indicted in Manhattan for labor racketeering charges linked to minority coalitions.

The Dinkins administration announced a crackdown on the coalitions a year ago after two Queens men who had sought jobs for minorities were murdered. A police raid a year ago on the Park Slope headquarters of the United Brooklyn Coalition found eight guns and led to the arrest of 30 people.

The projects at which the extortion and intimidation took place included the Greenpoint Hospital in Brooklyn, Public School 24 and P.S. 154 in Queens, the 23d Street Bridge in Queens, demolition at the Metrotech site in Brooklyn.

Industry officials say the coalitions' activities added to the cost of construction, costs largely borne by the taxpayers because the recession has hit Government projects less

hard than private ones.

The three-year investigation of the minority hiring shakedowns was carried out by the New York Police Department's Major Case Squad, the New York Office of the Federal Bureau of Investigation, and the Federal Department of Labor's Office of Racketeering.

Police Commissioner Raymond W. Kelly told a news conference at the Federal Attorney's Office in Brooklyn that the illegal activities of the coalitions "have plagued New York City" for years.

#### Padding Their Pockets

Mr. Kelly added that money extorted from construction companies and kickbacks paid by legitimate workers were being paid to leaders of the coalitions who were "padding their own pockets at the expense of the community."

The coalitions based most of their operations in Brooklyn, Queens and the Bronx, and some had offices in Manhattan.

The groups named in the indictment are: United Brooklyn Construction Workers Coalition, United New York Construction Workers, United Hispanic Construction Workers, Black and Latin Economic Survival, New Alliance, United Construction Workers Coalition, Hispanic and Black Coalition and Black Power.

Most of those arrested yesterday were later released on \$50,000 bail each. In addition to the eight main groups mentioned in yesterday's indictment, the document named other groups whose founders were either linked with the coalitions, or had ties to security companies that collected money from construction companies. They are: New York Organization of Minority and Women Business Enterprises, United We Stand, Afro Construction and Demolition, Afro Enterprises, Afro Security, Epiphany Enterprises, K.N.T. Contracting Company, On-Site Consultant Services Inc., Royal Security, and LM Security Services. The last company was located in Westbury, L.I., the only group named in the indictment that was based outside New York City.

P.A.I., New  
York  
Times  
NY, NY  
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6/30/93



## Dave's pal may get 2nd chance at top fed post

By JOHN HARNEY

An ally of Mayor Dinkins who lost out on a top job with the Clinton administration because of questions about links to an allegedly corrupt union may

wind up in the White House after all.

Manhattan lawyer Harold Ickes said it all depends on a federal review of Local 100 of

the Hotel and Restaurant Workers, one of his former clients.

Federal prosecutors charge that the union has ties to organized crime.

Ickes denies ever doing anything wrong, yet he had to take himself out of the running for deputy chief of staff after reports about his connection to the union surfaced.

The review is being conducted by a lawyer at the behest of a federal judge.

"We're still waiting for that," Ickes said.

If the review clears him, there would be discussions with the administration about a job, he said.

Ickes, whose father served in Franklin Roosevelt's Cabinet, has been quietly advising Clinton for several months, although he doesn't have an office at the White House.

P. 20, New York Post, NY, NY.

Monday, 6/28/93

# UNION BOSS: MAYORAL RIVALS FAN RACE HATE

By JOHN HARNEY

A key backer of Mayor Dinkins warned yesterday that the mayoral campaign has taken a sharp turn toward racial politics that could hurt both candidates and the city they want to lead.

"I am very alarmed at the use of racial polarization as a political instrument to advance political goals," said Dennis Rivera, head of Local 1389, the hospital workers union.

"I am starting to see the embryonic stages of what could potentially be a dangerous situation for the city," he said.

Rivera accused Rudolph Giuliani's campaign of "despoiling the misunderstanding and division between the Jewish community and the African-American community and doing the same between the Latino and African-American communities."

He also suggested the Dinkins campaign is not without blame.

"All sides have to show not only restraint, but re-

direct their energies to make sure we are bringing people together and not dividing people," Rivera said.

Late last month, Giuliani touched off a furor by labeling the 1991 Crown Heights riots a "pogrom."

This week, Dinkins leveled a sharp personal blast at Giuliani, saying he "doesn't have the temperament" to be mayor.

Dinkins also claimed he is being scapegoated on Crown Heights — unfairly and for devious political purposes.

"Sooner or later fair-minded people in this town will realize what's going on," he said.

A Giuliani spokesman, Ken Friedman, said: "We have no intention of running a racially divisive campaign. As to what they're doing, ask them what their intention is."

Leah Johnson, a spokeswoman for the Dinkins campaign, said: "The mayor's campaign will focus on his record and his

vision for the city. That's it."

During the 1989 campaign, a civic group got all nine mayoral candidates to sign a pledge promising not to exploit racial, ethnic or sexual prejudices.

Some sort of negative theme is bound to run through the mayoral contest because the main contenders "have been attacking each other for years," said Henry Stern of the Citizens Union.

"We have to try to see that the attacks stay within the bounds of reason and decency," he added.

Meanwhile, the black-oriented Amsterdam News charged in this week's issue that the entire "white press corps" is biased against Dinkins.

The newspaper, a consistent Dinkins booster, warned that "as persons of color we are in for a summer of discontent... Register to vote and prepare for whatever war that will come."

**SPECIAL REPORT**  
**NEW YORK POST**  
**CROWN HEIGHTS**  
**TIME THROTTLED**  
**Hour-by-hour account of what really happened**

**FLASHPOINT:**  
 Crown Heights is a racial storm center.